

County of Los Angeles CHIEF EXECUTIVE OFFICE

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April 11, 2008

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From:

William T Fujioka

Chief Executive Officer

WASHINGTON, D.C. UPDATE

<u>Kin-GAP Payments Will Continue To Be Excluded As Income In Determining Section 8 Housing Eligibility</u>

In an April 8, 2008 letter, the Department of Housing and Urban Development (HUD) informed Representative Waters (D-CA), who chairs the House Financial Services Housing Subcommittee, that HUD would issue a notice clarifying that payments received under California's Kinship Guardianship Assistance Payment (Kin-GAP) program would be excluded as income in determining eligibility for Section 8 and public housing programs.

HUD regulations provide that payments received for the care of foster children are excluded as income in determining eligibility (and rents) for Section 8 and other meanstested housing assistance. Under California's Kin-GAP program, which was created in 2000, foster children are placed with relative legal guardians who can provide them with a more stable and permanent home environment than under a traditional foster care placement. Kin-GAP payments were treated as payments for the care of foster children that are excludable as income up until December 10, 2007 when HUD issued a new interpretation treating Kin-GAP payments as income.

This new interpretation was strongly opposed by California counties (including the County), child welfare advocates, California's Congressional delegation, and others, because it would result in rent increases for Kin-Gap households and, in some cases, disqualify foster children and their relative guardians from receiving housing assistance.

Each Supervisor April 11, 2008 Page 2

The April 8, 2008 HUD letter, which rescinded its new interpretation to count Kin-GAP payments as income, responded to Representative Waters' February 5, 2008 letter to HUD Secretary Jackson, which urged that the new interpretation be rescinded.

We will continue to keep you advised.

WTF:GK MAL:MT:hg

c: All Department Heads Legislative Strategist